

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EAST KENTUCKY POWER)	
COOPERATIVE, INC. FOR A CERTIFICATE OF)	
PUBLIC CONVENIENCE AND NECESSITY,)	CASE NO.
AND A SITE COMPATIBILITY CERTIFICATE,)	2004-00423
FOR THE CONSTRUCTION OF A 278 MW)	
(NOMINAL) CIRCULATING FLUIDIZED BED)	
COAL FIRED UNIT IN MASON COUNTY,)	
KENTUCKY)	

SECOND DATA REQUEST OF COMMISSION STAFF
TO EAST KENTUCKY POWER COOPERATIVE, INC.

Pursuant to 807 KAR 5:001, Commission Staff requests that East Kentucky Power Cooperative, Inc. ("East Kentucky") file the original and 5 copies of the following information with the Commission on or before January 5, 2005, with a copy to all parties of record. Each copy of the information requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure its legibility. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request.

1. Refer to the response to Item 2 of the Commission Staff's first data request dated December 7, 2004 ("Staff's first request"). Part (a) of the response indicates that the results shown in Exhibit 4 of East Kentucky's application " . . . are based on the present value of revenue requirements divided by the total energy

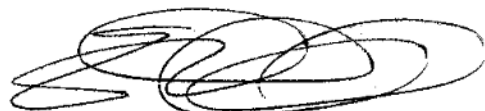
produced over the evaluation period for each proposal.” The response goes on to explain that this approach was used due to the variances in peak output among the different units that were evaluated.

a. Does this response mean that East Kentucky has the present value of revenue requirements available in total dollars as well as it being available in the form presented – Average \$/MWh? If no, explain the response.

b. If yes to part (a) above, provide the present value of revenue requirements for all options being evaluated in total dollars including all supporting calculations, assumptions, etc.

2. Refer to the response to Item 4 of the Staff’s first request. The last sentence states, in part, that “the economic life of the project being evaluated . . . is normally the correct period over which to evaluate the net present value revenue requirements.” In its evaluation of the net present value revenue requirements, what economic life has East Kentucky assigned to the Spurlock 4 project? Explain how this economic life was determined.

3. Refer to the responses to Items 7 and 8 of the Staff’s first request. In the event Spurlock 4 is not operational by April 1, 2008, market purchases will be required to supply Warren Rural Electric Cooperative Corporation (“Warren RECC”). Describe the extent to which East Kentucky has factored this possibility into the structure of the rate adder it intends to charge Warren RECC for the incremental cost of Spurlock 4.



Beth O'Donnell
Executive Director
Public Service Commission
P. O. Box 615
Frankfort, KY 40602

DATED December 23, 2004

cc: All Parties

Case No. 2004-00423